

Joshua Flickner
1992 Elger Bay Rd
Camano Island, WA 98282



Feb 21, 2011

Secretary Jennifer Johnson
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Secretary Johnson:

Retail businesses like the one my parents own, Elger Bay Grocery, are losing huge amounts of profits. The banks that process credit and debit cards have too strong of a hold on this market; they are abusing their power by charging ridiculous fees every year. This is why I beseech you to support the Federal Reserve's ruling to limit card swipe fees. This will have a positive effect on our family business and countless other small retailers.

Our store sells nearly three million dollars of merchandise a year. We lose about 10% of our gross profit when we pay the processing fees to the banks each month. On debit card transactions alone, we pay over fourteen cents per swipe along with 1.2% of the purchase amount, which goes back to the bank processor. Incidentally, we never swipe debit cards as debit, we opt to charge them as credit instead. This is because the bank that handles our debit transactions holds our money for an extra day, which our cash flow simply cannot afford. It seems that they are always coming up with new ways to make money from our hard work, despite the fact that the available technology has minimized the true transaction costs. We somehow manage these fees, and I think it helps that we are in a rural area where competition is less concentrated. I feel for those business owners in urban areas who have to worry about fierce competition on top of these unnecessarily high fees.

There is no question that setting limits on processing fees is a great idea. However, this should be just the first of many regulations placed on the banks that process credit and debit cards. The high cost of these processing fees most certainly is a factor in our decisions to hire new or previously laid-off employees. If our country's economic troubles are ever to end, these high fees are one thing that must be addressed.

Thank you for your service,

Joshua Flickner, Manager

A handwritten signature in black ink that reads "Josh Flickner". The signature is fluid and cursive, with a long horizontal stroke at the end.